



Report to the Auburn City Council

Action Item

Agenda Item No.

City Manager's Approval

To: Honorable Mayor and City Council Members
From: Tim Rundel, City Manager
Dylan Feik, Administrative Services Director
Date: August 10, 2015
Subject: Auburn Firefighters Association Memorandum of Understanding

The Issue

Shall the City Council review the negotiated Memorandum of Understanding between the International Association of Firefighters, Local 4110 (also known as “Auburn Firefighters” or “IAFF”) and the City of Auburn?

Conclusions and Recommendations

No action is needed on this item. Pursuant to the City of Auburn’s Employer-Employee Relations Policy, Article III Section 17.3, the proposed memorandum of understanding and accompanying fiscal analysis (provided herein) shall be made available for public review for a minimum of two (2) weeks prior to the City Council taking action on the MOU in an open public meeting. The contract will be brought back to Council on Monday, August 24, 2015 for Council approval by RESOLUTION.

Background

As a means to secure a current Memorandum of Understanding (MOU) between the City of Auburn and the IAFF, both parties entered into negotiations in October 2014 which included implementation of the City’s new “Transparency in Bargaining,” rules. City management efforts identified several key areas of emphasis for labor negotiations with the City’s seven (7) recognized bargaining units. The areas of emphasis identified in the IAFF MOU are:

- Primary focus of reducing City’s leave balance problems including long-term, unfunded liabilities in vacation leave and sick leave.
- Implement cost-effective and equitable salary modifications.

The City’s Last, Best and Final Offer (LBFO) was submitted to IAFF on April 30, 2015 via email. The parties met on Friday, May 1st to discuss the proposal. IAFF rejected the LBFO and declared impasse. On June 30, both parties met with the City’s Employee Relations Officer to discuss outstanding items. On July 30th, the City was notified that

IAFF has accepted the LBFO as presented on April 30, 2015. According to the LBFO, both parties tentatively agree to the following general changes:

- Term of MOU - Effective August 24, 2015 – June 30, 2017
- Salary Item A - Increase salary range for Fire Captains and Fire Engineers 5% to reduce compaction between classifications.
- Salary Item B - Implement a 2% salary increase on January 1, 2016 and 2% on January 1, 2017
- Salary Item C - New employees will use new Salary Range B with 10 steps. 2.5% increase between steps.
- Mandatory Time Off - Employees will no longer receive biweekly Mandatory Time Off (MTO).
- Vacation Leave - Employees will be allowed to cash out 100 hours of accrued and unused vacation leave before June 30, and 56 hours per year thereafter
- Sick Leave - Allow new employees the use of sick leave while on probation, and pursuant to current sick leave policies and procedures.
- Tuition Reimbursement - City will reimburse an employee up to \$1,200 for City-approved tuition/education reimbursement per year
- PERS Swap - Association members will pay 3.0 percent of the employer's CalPERS obligation effective January 1, 2017 and will receive 2.37% salary increase to offset
- Cleanup Items - IAFF and City collaboratively worked through MOU and revised and/or updated language to ensure current laws, rules, and/or policies are included

The City and IAFF were able to agree upon a multi-year contract (most recent IAFF contracts included one year contracts). This allowed the City to implement changes during the term of the MOU. Additional City funding (new money) for salary is limited to the 5% salary increase for fire captain/engineer classifications only, and 2% increases on January 1st of 2016 and 2017.

Alternatives Available to Council; Implications of Alternatives

1. Adopt a resolution to authorize the City Manager to execute the Memorandum of Understanding between the IAFF Local 4110 and the City of Auburn for the period August 24, 2015 through June 30, 2017.

2. Do not adopt a resolution and direct the City Manager accordingly.

Fiscal Impact

The total increase to personal services includes the cost to purchase back accrued and unused vacation leave. The total increase for fiscal budgets are as follows:

Fiscal Year 2015-16	\$ 93,408 General Fund Increase
Fiscal Year 2016-17	\$ 33,642 General Fund Increase

However, the net impact of this contract is best-summarized by the net budget effects of the significant leave reforms and salary modifications (PERS swap, reduction of vacation leave balances, elimination of MTO, etc.) accomplished through this MOU. The net impact includes tuition reimbursement costs, modest salary increases, and a 5% adjustment for 6 positions in the department to reduce salary compression. The effect of these budget changes are summarized below:

Fiscal Year 2015-16	\$ 48,212 General Fund Increase
Fiscal Year 2016-17	\$ 16,907 General Fund Increase

Both cost increases and cost savings referenced have been included in the FY15-16 Adopted Budget.

The tentative Memorandum of Understanding between the City of Auburn and IAFF Local 4110 (Auburn Firefighters Association) is available for review in the City Clerk's Office and the Administrative Services Department